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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re	:	X
	:	Chapter 11
LEHMAN BROTHERS HOLDINGS, INC. et al.,	:	
	:	Case No. 08-13555 (JMP)
Debtors.	:	
	:	(Jointly Administered)
	X	

**STIPULATION BETWEEN PACHULSKI STANG ZIEHL & JONES LLP AND THE
FEE COMMITTEE REGARDING THE FIFTH AND SIXTH INTERIM
APPLICATIONS OF PACHULSKI STANG ZIEHL & JONES LLP, SPECIAL
COUNSEL TO THE DEBTORS, FOR COMPENSATION AND EXPENSES FOR THE
PERIODS FROM JUNE 1, 2010 THROUGH SEPTEMBER 30, 2010 AND
OCTOBER 1, 2010 THROUGH JANUARY 31, 2011, RESPECTIVELY**

**TO: THE HONORABLE JAMES M. PECK
U.S. BANKRUPTCY JUDGE**

WHEREAS, on December 14, 2010, Pachulski Stang Ziehl & Jones LLP (“PSZJ”) filed the *Fifth Interim Application of Pachulski Stang Ziehl & Jones LLP for Compensation for Services Rendered and Reimbursement of Expenses as Special Counsel to the Debtors for the Period from June 1, 2010 Through September 30, 2010* (the “Fifth Fee Application”) [Docket No. 13485], seeking fees in the amount of \$421,357.98 for professional services rendered and

\$11,077.86 in reimbursement of out-of-pocket expenses, as allocated to the Debtors pursuant to the firm's agreements with the Debtors;

WHEREAS, on April 15, 2011, PSZJ filed the *Sixth Interim Application of Pachulski Stang Ziehl & Jones LLP for Compensation for Services Rendered and Reimbursement of Expenses as Special Counsel to the Debtors for the Period from October 1, 2010 Through January 31, 2011* (the "Sixth Fee Application") [Docket No. 16048], seeking fees in the amount of \$454,632.83 for professional services rendered and \$29,107.78 in reimbursement of out-of-pocket expenses, as allocated to the Debtors pursuant to the firm's agreements with the Debtors;

WHEREAS, the Fee Committee has completed its review of the Fifth and Sixth Fee Applications;

WHEREAS, PSZJ regularly has received from the Debtors 80 percent of the amounts invoiced to the Debtors for professional services rendered and 100 percent of the amounts invoiced for expenses;

WHEREAS, pursuant to the *Order Appointing Fee Committee and Approving Fee Protocol* [Docket No. 3651], and consistent with the procedures set forth in the *Amended Fee Protocol* attached as Exhibit A to the *Order Amending the Fee Protocol* [Docket No. 15998], counsel for the Fee Committee in Lehman Brothers Holdings, Inc. (the "Fee Committee") has reviewed the Fifth and Sixth Fee Applications, issued Confidential Letter Reports on April 12 and August 11, 2011, respectively, and entered into a dialogue with PSZJ regarding these applications;

WHEREAS, as a result of this dialogue, PSZJ has agreed to accept the Fee Committee's recommended disallowance of the fees sought in the amount of \$15,184.55 for professional

services rendered and \$92.50 in expenses for the Fifth Fee Application and \$8,585.13 for professional services rendered and \$1,004.70 in expenses for the Sixth Fee Application—each as allocated to the Debtors—to resolve the Fee Committee’s inquiries on all outstanding issues except charges directly attributable to rate increases for the Sixth Fee Application;

WHEREAS, on November 7, 2011 the Fee Committee filed the *Fee Committee’s Limited Objection to the Seventh Interim Period Fee Application of Pachulski Stang Ziehl & Jones LLP, Special Counsel to the Debtors, for Services Provided from October 1, 2010 through January 31, 2011* [Docket No. 21728] (the “Rate Objection”) objecting to at least \$31,000 in charges—as allocated to the Debtors—directly attributable to rate increases imposed after PSZJ’s *nunc pro tunc* retention date of February 25, 2009. PSZJ reserves its right to file a response to the Rate Objection; and

WHEREAS, the Fee Committee continues to analyze and monitor the cumulative and individual effect of charges directly attributable to rate increases for all periods (“Rate Increase Analysis”).

STIPULATION

NOW, THEREFORE, the Fee Committee and PSZJ hereby stipulate and agree that the Court may enter an order (to be submitted subsequently) approving PSZJ’s request for interim compensation and reimbursement of expenses in the reduced amount of \$406,173.43 in fees and \$10,985.36 in expenses for the Fifth Fee Application and \$415,047.71 in fees and \$28,103.08 in expenses for the Sixth Fee Application. The Fee Committee’s and PSZJ’s rights with respect to the Rate Objection and any response thereto, and to the continuing Rate Increase Analysis are hereby reserved.

Dated: Madison, Wisconsin
November 21, 2011

GODFREY & KAHN, S.C.

By: /s/ *Katherine Stadler*

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Attorneys for Fee Committee

Dated: New York, New York
November 16, 2011

PACHULSKI STANG ZIEHL & JONES LLP

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